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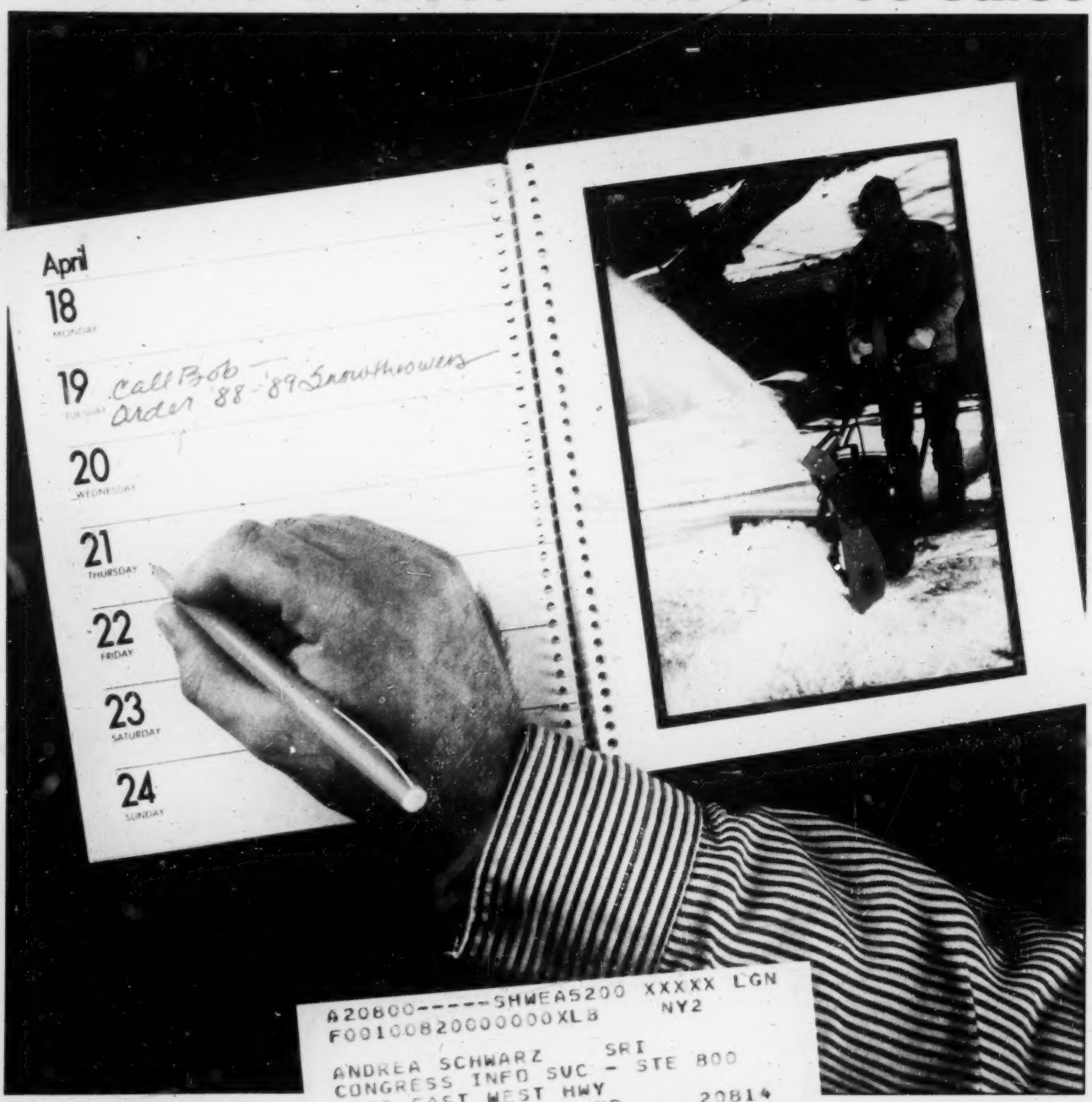
Lawn&Garden Marketing™

APRIL/MAY 1988

An Intertec publication

Cover story: Selling snowthrowers

Pesticide choices • Trim-a-tree sales



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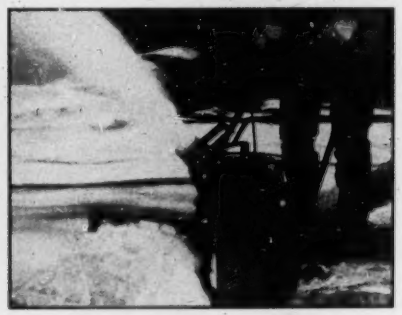
Trim-a-tree sales, 18



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Did you know?

Two out of every three households (67 percent) own at least one type of outdoor power equipment. Of these, 49 percent own a gas-powered walk-behind, 28 percent own a chainsaw and 23 percent own a power string trimmer.

Source: OPEI/1987-88 National Gardening Assn. annual survey by the Gallup Organization

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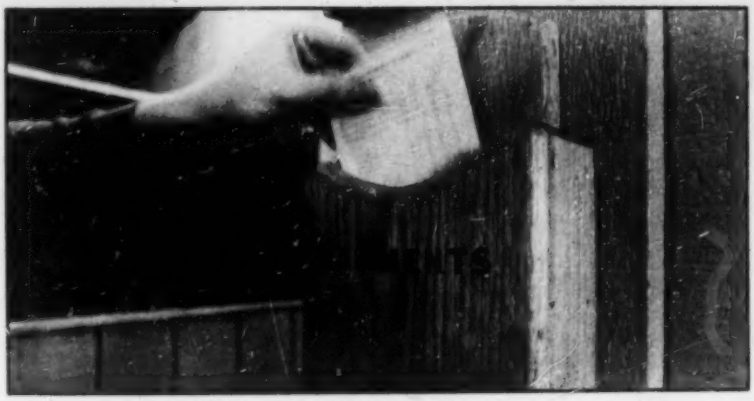
From the Editor



The *non*complainer is the one who shops your store, can't find any sales personnel on the floor to assist him or explain a product's use, stands in line for 10 minutes only to be told by your cashier that she is now closed, and when he gets through another line and is asked casually by the cashier, "Did you find everything OK?" mutters simply, "Yes."

The *non*complainer doesn't complain to you for three reasons: first, you don't provide him with a proper forum in which to complain (the line is six customers deep and those behind him don't want to hear his complaint, nor likely, does the cashier); second, it takes more of an effort to complain than not to complain; and third, he believes the complaint will not be acted on (surely store management is already aware that customers are standing in long lines and that personnel is absent from the sales floor). But the fact that he does not complain is unfortunate for you, because it decreases the odds of him returning to your store.

At a recent industry conference, Larry Helms, president of In-House Training in Oregon, discussed human behavior in his seminar, "Customer Service: How to Get, Serve and Keep Clients." He showed how nonexpressed complaints are in direct correlation to a loss in customers: only 9 percent of all *non*complainers with a major complaint (involving more than $100) will return to your store and 37 percent of *non*complainers with minor complaints (involving less than $5) will return to your store. Yet, 19 percent of those who *do* express a major complaint and another 46 percent who express a minor complaint *will* return to your store even though that complaint has not been resolved.

In other words, only one in 10 *non*complainers with a major problem will shop your store again, but one in five complainers with a major problem will continue to shop your store even though you have not resolved the problem! To make matters worse, *non*complainers complain to others, even though they don't to you. For every one complaint you receive, 26 others have complained about you to others; 20 of those are minor complainers who will tell four others; six of those are major complainers and will tell 20 others. In short, 200 people know of a complaint about your store.

*Non*complainers are costly to your business, which is why you should make every effort to get complaints. Encourage personnel to seek complaints; offer a "suggestion" box, visible at checkout and complete with pencils and prewritten forms. Have a member of management discreetly request complaints when a customer appears unhappy; provide customers with a mail-in complaint form enclosed with purchases. Have signage reflect a message of "How can we serve you better?" And look at complaints positively: Complaints provide you with information you would not otherwise have had, give you the opportunity to correct a poor situation and, perhaps most importantly, may save you a customer.

A recent hotel I stayed in provided a form that began, "Help us implement your suggestions." It wasn't just saying, 'Fill out the form to get it off your chest." It was saying, "Let us know your comments so we may act on them." Now, isn't that a better way of asking, "Did you find everything OK?"

Susan L Anderson

Lawn & Garden Marketing

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Feedback

Compiled by Gina Kellogg Hogan, *associate editor*

Many retailers were singing a happy tune during the 1987 Christmas sales season, at least according to the responses of the January *Lawn & Garden Marketing* questionnaire. Of the nearly 200 responses, an overwhelming majority indicated that they had experienced a "good to great" holiday sales season.

Even those garden center retailers who experienced some problems still remained upbeat after the season's end. Said one Northeast garden center respondent, "(Sales) went up over 200 percent. (But) we had one woman employee of seven years and one man of 28 years who stole over $14,000 in cash sales." Not the sort of thing most retailers would want to talk about. But even in the wake of such a catastrophe, this retailer remained cheerful about this season's sales.

Factors that influenced sales

Of those listing negative factors, more than anything else, fly-by-night live Christmas tree operations were complained of most. A Southern garden center respondent said, "Local civic clubs cut into sales considerably. They had 'free' tree lot on busy street: free labor, no taxes, no permits, etc. (It was) very unfair to the established business in our area." Cut-your-own-tree lots also were cause for complaint.

Despite the proximity of the season to October's stock market crash, few noted that it had had an effect on their season's sales. Most blamed other factors, such as the weather and discount/mass-merchandisers. A North Central garden center respondent said, "Lack of snow, I feel, hurt business the most. People just weren't in the mood." A Southern respondent wrote, "By the time our 'Open House' ad campaign started, the larger chainstores were advertising 40-50 percent discounts."

General observations

Some overall comments from retailers included:

Christmas is dying, since a high in 1985. Government takes Christmas out of schools, etc. Younger Uppies don't "do" holidays; they travel. Face it, American holiday traditions aren't tradition, they are booze, travel, luxury. No once a year items—*North Central*

We never saw a rush to where we would need traffic control. Mostly cash, very little on charge cards—*North Central*

People were willing to pay for whatever they wanted this year; very few Scrooges, despite Wall Street—*South*

The ability to pot live trees in fiber and wire basket combination for customer (made it a positive season)—*South*

Live B&B tree sales better than expected. Cut Christmas tree sales poor —*South*

More and more Christmas stores are opening in local malls just for the holiday season, which is impacting on ornament and other small items sales. However, artificial trees and wreaths still are getting the sales from customers wanting quality, not cheap prices—*West*

Think Black Monday made a conservative, traditional town stable but not enthusiastic—*West*

An abundance of suggestions

Retailers were eager to share their merchandising display tips, as well as to offer other suggestions on how to increase holiday season sales. From garden center respondents throughout the country came these suggestions:

- Put displays up early and keep them full and neat.
- Offer unusual merchandise, be different. Regular merchandise can be purchased in K mart or any food store.
- Emphasize live trees, wreaths, roping, holly and plants.
- Do not buy pre-decorated wreaths. Do them yourself.
- Poinsettias in masses move more plants. We doubled sales.
- People buy impulsively; they're overwhelmed by a great looking display.
- Do it first class or don't do it at all.
- Hit them with color and movement when they walk in the door.
- Display live trees on individual stakes.
- Everything used to decorate our sales room was priced and available for sale. For example, garland around doors, wreaths, hand-crafted ornaments on plantable Christmas trees.
- The more trees you display the better. We had 42 trees decorated and the two greenhouses full of fresh trees.
- Open packages of Christmas ornaments. Display items next to trees.
- Price inventory high enough to offer substantial discounts.
- Use lots of lighting. Light up a sample of every product that lights up.
- Make sure that the public knows you have a Christmas shop by sandwich boards, banners, etc., outside your store. So many times comments are made that "I never knew a garden center would have Christmas things."
- Use motion. A train display.
- Go all out. We used ceilings for vines, bark for winterscapes around trees, fountains, etc. We brought a professional in (to help with the displays).
- items must be *on* trees—*out* of packages.

—LGM

Tops in '87 Christmas season sales

Product categories in which the most retailing respondents indicated sales increases in 1987 Christmas season sales compared to 1986:

Category	% of respondents indicating increases	Category	% of respondents indicating increases
*1. Poinsettias	49	6. Live trees	36
*1. Live wreaths	49	7. Ornaments	33
3. Garland sales	42	8. Artificial wreaths	29
4. Lights	39	9. Artificial trees	23
5. Tree stands	37	10. Christmas crafts	18

Source: *Lawn & Garden Marketing* January 1988 questionnaire. * tie

Retailers identify areas of anticipated growth

A new survey shows a high level of optimism among garden center retailers, who already are well into their '88 selling season.

By Charles W. Dunn, *editorial contributor*

Results of the first Trendnomics™ report, conducted by the Garden Center Institute, Atlanta, reveal some very positive attitudes among garden center retailers—attitudes that could help shape a profitable 1988 sales season.

Based on a carefully selected sample—of which more than 40 percent responded—the study's results provided a good business outlook for 1988. In fact, 75 percent of the respondents stated that they expected their '88 business to exceed '87 levels—at about 14 percent.

Although regional differences exist, the interest in color in landscaping continues to be the overall area of strongest anticipated growth. Nationally, retailers ranked that product category as the leading area of anticipated sales increase for 1988. (See table.)

Convenience products and services, groundcovers and vines, along with maintenance/planting services, are also anticipated to show strong '88 growth.

Since time constraints are a problem with most homeowners, many aggressive merchants and manufacturers of L&G products are attempting to simplify products' use and application. The overall market for convenience products is just now emerging in L&G and shows excellent potential for future growth.

Such positive attitudes for the future of the industry are key to increasing the level of consumer participation in lawn and garden activities for the 1988 season.

Data, prepared by Bruce Butterfield, research director at the National Gardening Assn., Burlington, Vt., clearly established that 1987 was the strongest growth year for retail sales of L&G products in the last decade. (See March 1988 *LGM*, "Household L&G sales up 20 percent.") With a plus 20 percent growth and a strong emerging market of young, affluent households, increased levels of anticipated growth can be expected during the coming year.

Although the industry has seen several years of double-digit sales increases, and retailers are anticipating another such year in 1988, the participation level of American households in L&G activities is stagnant. In fact, for the first time in several years, gardening fell from the No. 1 outdoor leisure-time activity to No. 2, following swimming.

For any real growth to continue in the future, the level of household participation must increase. Segments of this industry must develop a strategic approach to marketing—analyzing their individual products and messages to see if they meet the interest of the changing marketplace. They need also to identify and explore new distribution opportunities, as well as product line expansion and extension.

About the Garden Center Institute and Trendnomics™

The Garden Center Institute provides an integrated package of marketing, merchandising and management services relating to today's garden center industry. A non-political organization, unaffiliated with any association, its services are provided to retailers and suppliers on a subscription/sponsorship basis.

Twice yearly, after the spring and fall selling seasons, the GCI conducts detailed surveys of the garden center industry to determine product movement, trends and to project product and market outlooks.

Information for this article is from the fall 1987 survey conducted in January 1988. The survey consists of 71 tables, cross-referenced by region, dollar volume, number of locations and community size of garden center retailers in the country. Additional information includes retailer ratings of the effectiveness of various promotional tools, advertising mediums, vendors, factors effecting bottom line profits and their ranking of important considerations in the choice of a supplier.

Copies of the survey are available to non-members of GCI for $450. For more information, contact: The Garden Center Institute, P.O. Box 1264, Roswell, GA 30077, (404)587-2113.

Top 10 growth areas

Product categories—of which color plays an obvious part—where most of respondents anticipate 1988 sales growth are:

Product category	% of respondents anticipating growth
1. Annuals/transplants	80
2. Perennials	78
3. Flowering trees/shrubs	75
4. Shrubs	74
5. Goundcovers/vines	69
*6. Planting/maintenance services	68
*6. Christmas/trim-a-tree	68
*8. Cut flowers, florals, silks	67
*8. Trees	67
10. Fertilizer, soil amendments, mulch	63

Source: Garden Center Institute, January 1988 survey *tie

Many retailers appear to be in tune to the opportunities of this strong marketplace. More than one-third of respondents indicated in the GCI survey that they plan to increase their advertising in 1988, on average of 15 percent. With the availability of innovative products to meet the market's demand, aggressive promotion and more varied shopping hours, retailers' early-season anticipation of an excellent selling year may well turn into reality. —LGM

Charles W. Dunn is a marketing consultant and strategist based in Atlanta, specializing in the nursery and lawn and garden industry. With a decade and a half of experience in the industry he has provided services to many of the leading companies. He is the founder of, and a major contributor to, the Garden Center Institute.

Power Equipment Report

Townsend Saw Chain Co. changes name, introduces new products

The Townsend Saw Chain Co., Columbia, S.C., devoted a day to updating the press on the company's recent activities, including product demonstrations, factory tours and speeches by individual members of company management.

The company also unveiled a new name: Sabre Textron. The name change was the result of a "redirection and self analysis, leading toward new products," according to vice president/general manager Peter Finamore.

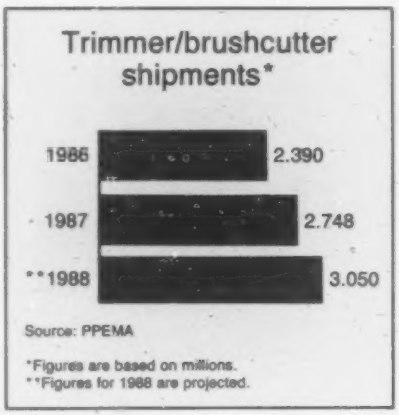
Textron has moved the saw chain operation from its Townsend division and made it an independent unit, operating within the Textron Consumer Products Group. The Townsend Saw Chain operation was started in 1971 as one of eight companies constituting the Townsend Division of Textron Inc.

The company's new Sabre® Tooth™ blades preface the company's intentions of developing more products and accessories outside the chainsaw accessories field. The new products include a two-blade file pack, a Grasslasher, new bolt kits and lawn and garden tools—such as brushcutter/string trimmers and accessories—to be introduced before the international Lawn, Garden & Power Equipment Expo in Louisville, Ky., in July. The company also is marketing Fiskars products under the Sabre name in Europe. Plans at this time do not call for marketing these garden tools in the United States, however.

The company recently installed new cold-headed rivet manufacturing equipment, which Finamore says will enable the company to more closely maintain tolerances to produce stronger, more stress-resistant rivets. Other new equipment at the plant includes an advanced chrome-plating process, designed to extend the cutting life of the .404 pitch chain, and a "work-cell" assembly concept, which combines assembly with inspection. The company hopes to replace its grinders by year's end, also.

Portable power shipments are on the rise

Two of four portable power equipment categories saw increases in 1987, and all four are expected to increase in 1988, according to a survey of manufacturers by the Portable Power Equipment Manufacturers Assn. Gas-powered trimmers/brushcutters and gas-powered leaf blowers both experienced increases in the number of units shipped. Gas-powered chainsaws remained flat in 1987 and are expected to be flat again in 1988, as are gas-powered generators and backpack blowers.



Tecumseh introduces new line of rotary OHV engines

Tecumseh Products Co., Grafton, Wis., has introduced its first line of OHV engines for rotary lawnmowers, which the company says is the first to be engineered and manufactured in North America. This is the first foray for Tecumseh into this marketplace.

While several foreign-made OHV engines are available, Tecumseh says its model OVRM 40 outperforms the other engines in three individual areas: displacement, horsepower and torque.

The OVRM 40 is equipped with an automotive-type paper air filter, a 2-qt., no-rust fuel tank with large fill opening, easy access oil fill and dip stick and a sound-deadening muffler. Other features include electronic ignition, a mechanical governor to maintain engine power under heavier loads and a positive lubrication system that assures oil distribution at all operating angles.

Lawn-Boy moves national headquarters

Lawn-Boy has moved its national headquarters from Memphis, Tenn., to Plymouth, Wis., the former location of Gilson Bros. Co. offices. Lawn-Boy recently acquired certain assets of Gilson.

Approximately half of the employees in Memphis were asked to relocate to Wisconsin. The company also expects to hire additional people at the Plymouth location, which already employs 600 people.

Briefs

• A bill currently in front of the Kansas Senate calls for compensation from a supplier to a retailer when the supplier cancels a contract. The Kansas Outdoor Power Equipment Franchise Act would require any manufacturer, wholesaler or distributor who enters into a contract with a power equipment retailer to pay the retailer 100 percent of the net cost on all new and unused product in the event the supplier desires to cancel or discontinue the contract. The supplier would also pay the retailer an additional 5 percent of the net price of parts returned to cover the cost of packaging and shipping, among other costs that the bill covers.

• Tom Buckingham has been named director of technical services for Solo Inc., Newport News, Va. Tim Conrad has been named manufacturing operations supervisor. He will be responsible for the manufacturing operations of the company's Jetpack backpack sprayers. Donna Vander Werf has been named marketing assistant. David Longfield has joined the company as sales manager, chainsaws.

• Stephen G. Kaiser was named territory manager for the New England states for Dixon Industries, Coffeyville, Kan. His territory includes Maine, Vermont, New Hampshire, Massachusetts, Connecticut and Rhode Island.

• Lawn-Boy, Memphis, Tenn., named McKee & McRae, a Jackson, Miss.-based distributor, its Distributor of the Year. The award goes to the distributor who excels in all areas of Lawn-Boy sales, service, advertising and marketing. McKee & McRae won the award after increasing the Lawn-Boy market share in their area by more than 500 percent.